

CITY OF GOLDENDALE
Klickitat County, Washington
January 1, 1992 Through December 31, 1992

Schedule Of Findings

1. City Manager Should Follow The City's Policies And Procedures And Discontinue Improper Use Of Position And City Credit

The city manager, Ehman Sheldon, has improperly used his position and city credit, as follows:

- a. The city manager attended a conference in Nashville in September 1993 and afterwards stopped in Los Angeles for personal business. The airfare for both the conference and personal business in the amount of \$442.50 was charged and paid by the city. After the invoice was received for payment, it was brought to the city manager's attention. A few months later, November 1993, he reimbursed the city \$64.50 for the personal share of the airfare costs.
- b. The city manager cashed in vacation hours exceeding the estimated cashout approved by the city council and violating the city's personnel policies by cashing in more vacation hours than allowed in September of 1992. He had a balance of 288 hours and the city bought back 208 hours for \$5,064.80, leaving 80 hours remaining.

The city's *Personnel Manual* states, "not more than half the vacation time may be paid for at straight salary." All employees are required to follow the city's policies and procedures.

The September 8, 1992, council minutes indicated the estimated buyout to be about \$3,000.

The city manager explained that the cashout was done because he did not have time to take leave. Yet during our audit we observed item c. below.

- c. The following leave was taken by the city manager for which no leave slips were submitted:

(1) Two days of annual leave in September 1993, while in California, following a business conference.

(2) One day of annual leave in November 1993 for hunting.

In order to properly maintain and ensure leave balances are accurate, leave slips are required by all employees to be completed and submitted when taken.

- d. The city manager attended International City Manager Association (ICMA) conferences in 1992 and 1993 in Reno, Nevada, and Nashville, Tennessee, respectively. He registered for the conference and the following entertainment events:

- (1) A Wild West Night in Virginia City for \$30.
- (2) Fabulous 50s Finale for \$15.
- (3) An Evening with Dolly Parton - Live! for \$30.

The events were not included in the cost of the registration. However, the city manager certified these for payment, and they were paid by the city.

After these costs were disclosed by our audit, the city manager volunteered to repay the city and has, to this point, paid back \$30 of these costs.

- e. We noted that the city manager occasionally used the city's cellular telephone to make calls to his residence and spouse's place of employment. Our audit disclosed \$24.92 in personal phone charges for 1993. The city's *Personnel Manual* disallows the personal use of city's phones. Further, the city paid the personal cellular charges which are not legitimate costs of the city.
- f. On January 5, 1993, the city manager had two city shop employees repair his son's motorcycle during their normal work hours and at the city shop.
- g. The city manager used the city's charge card for meals from a restaurant within the city. This is contrary to the city policy which only provides for the reimbursement of travel costs "out of town." Also, meals were purchased with the charge card for individuals who were employees of other organizations providing services to the city. Such purchases are referred to as "hosting" and the city does not have the statutory authority to incur such expenditures. Further use of credit cards for other than travel expenses is contrary to the requirements of RCW 42.24.115.
- h. The city manager instructed the city clerk-treasurer to have the city absorb street cut costs in the amount of \$326.14 because he believed the city was at risk of a law suit for incorrectly marking the street cut area.

The city manager has no authority to obligate the city to write-off billings absent of council approval.

These conditions exist due to the city manager's lack of following city policy and procedures and/or misuse of position for personal gain.

Further, the city manager, as the city's auditing officer, certified to the council:

. . . under penalty of perjury, the materials have been furnished, the services rendered or the labor performed as described herein and that the claim is a just, due and unpaid obligation against the City of Goldendale
. . . .

RCW 42.20.010 states in part:

. . . Every public officer who shall . . .

(3) Employ or use any person, money, or property under his official control or direction, or in his official custody, for the private benefit or gain of himself or another;

Shall be guilty of a gross misdemeanor

RCW 42.20.050 states in part:

Public officer making false certificate. Every public officer who, being authorized by law to make or give a certificate or other writing . . . containing any statement which he knows to be false, in a case where the punishment thereof is not expressly prescribed by law, shall be guilty of a gross misdemeanor.

RCW 42.24.100 states in part:

. . . any person certifying a claim or making a claim knowing the same to be false or untrue shall be guilty of perjury in the second degree.

RCW 42.24.110 states in part:

Any person who knowingly approves or pays or causes to be approved or paid a false or untrue claim shall be guilty of a gross misdemeanor and, in addition, he shall be civilly liable on his bond to the municipal corporation . . . for the amount so paid or for three hundred dollars whichever is the greater.

RCW 9A.72.030 states:

(1) A person is guilty of perjury in the second degree if, with intent to mislead a public servant in the performance of his duty, he makes a materially false statement, which he knows to be false under an oath required or authorized by law.

(2) Perjury in the second degree is a class C felony.

Article VIII, Section 7 of the *Constitution of the State of Washington* states in part:

No county, city, town or other municipal corporation shall hereafter give any money, or property, or loan its money, or credit to or in aid of any individual, association, company or corporation

We recommend the city manager comply with all of the city's policies and regulations, and state laws and regulations, including limiting the use of credit cards solely to travel related expenses, and that only bona fide public obligations of the City of Goldendale be charged and or certified to the city for payment. In addition, we recommend the city manager obtain council approval for write-offs. We also recommend the city manager discontinue using city personnel during city time and city property for personal purposes, and that all leave taken be reported and deducted properly from his leave balance. We further recommend that the city review all the city manager's phone bills and identify all personal expenses billed to the city, and the city recover all personal costs that have not been

recovered thus far. Finally, we refer this matter to the attorney general and prosecuting attorney for whatever action they deem necessary.